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FOR NEA/ELA

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TAGS: [PREL](#) [EAID](#) [KPAL](#) [EG](#) [IS](#) [XF](#)
SUBJECT: WHAT DOES EGYPT WANT OUT OF THE GAZA
RECONSTRUCTION CONFERENCE?

Classified By: Ambassador Margaret Scobey
for reasons 1.4 (b) and (d).

¶1. (C) Summary: The Egyptians see the March 2 Gaza Reconstruction Conference as validation of their role as the regional leader in forging peace between the Israelis and the Palestinians. Their goals for the conference are straightforward: they want to be seen as helping the Palestinian people; they want to strengthen the Palestinian Authority (thereby weakening Hamas); they want to prevent Iran from taking any credit for championing the Palestinian cause; and they want to move forward on an Arab rapprochement that strengthens moderates and raises pressure on Hamas. They see the conference as a place where they can shine as leaders, coordinators, and "convokers." They want to demonstrate that they and fellow Arab moderates (Saudi Arabia) -- not upstarts (Qatar) or radicals (Syria) -- hold the key to peace and stability in the region. However, Egyptian determination to close the deal may cause them to take risks with regards to their goals. End summary.

¶2. (C) The Egyptians have long felt they were the "owners" of the Israeli-Palestinian peace process. No one else had the access to all key players -- Israel, the Palestinians, and the United States -- that Egypt did. However, in recent years, they have been frustrated by the lack of tangible progress towards a final settlement, and were somewhat reluctant partners in the Annapolis process. Without being able to "deliver" the Israelis (or the U.S.), the Egyptians risked looking ineffective to Arabs at best, and like colluders at worst, as Palestinian suffering continued and peace appeared to be as elusive as ever.

¶3. (C) After the June 2007 Hamas takeover of Gaza, the Egyptian fear of losing relevance and their leadership position in the region grew even greater. They sensed they were losing ground on "the street" to more radical elements in the Arab League, in particular Syria and its protgs, Hezbollah and Hamas; all of which, in Egyptian eyes, are nothing more than Iranian proxies. The Egyptians worked hard to isolate and weaken Hamas, but in so doing, risked the appearance of siding with Israel as the "jailer" of Gazan Palestinians.

¶4. (C) The Egyptians engineered a six-month "tahdiya" (calming) between Hamas and Israel that lapsed in December 2008. During this relative calm, Egypt tried to forge the disparate Palestinian factions into a non-partisan "technocratic" government in Gaza with whom they -- and the Israelis -- could work to re-open the border crossings and relieve the pressure on the Gazans. The tahdiya fell apart last December, leading to renewed Hamas rocket attacks that provoked the Israeli invasion of Gaza. Fearing an influx of reconstruction aid and money from rivals Iran and Qatar, the Egyptians offered to host a donors' conference. Within the context of an economic/pledging conference they will seek to display a political undercurrent of moral as well

as material support for the Palestinians; we have made clear to the Egyptians to tread very carefully on this front and not allow the message to dissolve into anti-Israeli rhetoric.

15. (C) The Egyptians understand how weak the Palestinian Authority is. Although they hope the reconstruction conference will serve to strengthen Mahmoud Abbas, they are under no illusions about who calls the shots in Gaza. They therefore convoked the Palestinian factions again -- with Fatah's delegation headed by Ahmed Qurei and Hamas, by Moussa Abu Marzouk -- to meet in Cairo starting February 25 with a goal of hammering out a "national reconciliation" government that will be dominated by neither Hamas nor the PA. The Egyptians have stated their preference that the donations pledged at the March 2nd conference would be overseen by an international body, and disbursed to a new, "technocratic," unity government in Gaza. They are adamant the funds must not go to Hamas.

16. (C) The Egyptians want the March 2nd conference in Sharm to remind everyone -- especially the Arab street -- that they remain at the top of the Arab world, and that success in any major undertaking depends not only on their support, but their leadership. They want to show that wealth alone (read "Qatar") cannot carry the day; only Egypt with its massive political and diplomatic weight and unique connections can ensure long-term success. They want to thwart Iranian attempts to further their influence -- via Syria, Hezbollah, and Hamas -- in the region. For Egypt, the greatest strategic threat is from Iran, and they will do everything in their power to prevent Iranian influence

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from spreading.

17. (C) The new intra-Arab reality is somewhat different than the Egyptians perceive it be, however, as we have seen with Qatar's successful efforts to broker Lebanese political reconciliation in 2007. Our message, therefore, should be that Egyptian activeness -- as evidenced by this conference -- is critical for long-term maintenance of Egypt's regional role. If the Sharm Conference demonstrates Egyptian regional diplomatic preponderance; that Egypt remains the "great protector" of the Palestinians; and that only Egypt and moderate partners can lead the way forward, the Egyptians will have gotten what they wanted.

18. (C) Egyptian determination to achieve success before the Arab world however may cause them to take risks with regard to their stated goals of supporting the PA and delegitimizing Hamas.
SCOBET